

**Montana Board of Oil and Gas Conservation  
Environmental Assessment**

**Operator:** True Oil LLC  
**Well Name/Number:** Laas 22-14  
**Location:** Section 14 T33N R4E  
**County:** Liberty, **MT;** **Field (or Wildcat)** Wildcat (Within Utopia Field)

**Air Quality**

(possible concerns)

Long drilling time: No, 15 to 20 days drilling time.

Unusually deep drilling (high horsepower rig): No, single or double drilling rig to drill to 3450' TD, Potlatch Formation vertical well test. Possible Bakken horizontal depending upon shows.

Possible H<sub>2</sub>S gas production: Possible H<sub>2</sub>S from the Mississippian through to Devonian Formations.

In/near Class I air quality area: No Class I air quality area in the area of review.

Air quality permit for flaring/venting (if productive Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

- ☐ Air quality permit (AQB review)
- ☐ Gas plants/pipelines available for sour gas
- ☐ Special equipment/procedures requirements
- ☐ Other: \_\_\_\_\_

Comments: No special concerns – using a single or double drilling rig to drill to 3450' TD, Potlatch Formation vertical well test.

**Water Quality**

(possible concerns)

Salt/oil based mud: No, freshwater and freshwater mud system.

High water table: No high water table in the area of review.

Surface drainage leads to live water: No, closest drainages are an unnamed ephemeral drainage, about 3/8 of a mile to the east and Eagle Creek, an ephemeral tributary drainage to the Marias River.

Water well contamination: No, closest water well is about 1/2 of a mile to the southwest from this location. Depth of this water well is 500'. Surface hole will be drilled with freshwater and surface casing set to 300' and cemented to surface.

Porous/permeable soils: No, sandy bentonitic soils.

Class I stream drainage: No

Mitigation:

- ☐ Lined reserve pit
- ☒ Adequate surface casing
- ☐ Berms/dykes, re-routed drainage
- ☐ Closed mud system
- ☐ Off-site disposal of solids/liquids (in approved facility)
- ☐ Other: \_\_\_\_\_

Comments: 500' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used. Drilling fluids and drill cuttings will be disposed of offsite on another surface owners land.

## Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No stream crossing anticipated, will be crossing only ephemeral drainages.

High erosion potential: No, small cut, up to 1.6' and small fill, up to 0.8', required.

Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: Yes, a large wellsite for this area, 230'X170' location size required.

Damage to improvements: Slight, surface use is a cultivated field.

Conflict with existing land use/values: Slight, surface use is a cultivated field.

Mitigation

☐ Avoid improvements (topographic tolerance)

☐ Exception location requested

☒ Stockpile topsoil

☐ Stream Crossing Permit (other agency review)

☒ Reclaim unused part of wellsite if productive

☐ Special construction methods to enhance reclamation

☐ Other \_\_\_\_\_

Comments: Will used existing gravel county road and existing 2 track section line road, A short new access road will be built from the short section line dirt road into this location, about 0.3 of a mile of new access into this location. Drilling fluids will be allowed to dry in the lined reserve pit. Mud solids and cuttings will be buried in the lined pit when dry. No special concerns.

## Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Nearest residence about 1/2 of a mile to the southwest from this location.

Possibility of H2S: Yes, possible from the Mississippian to the Devonian Formations.

Size of rig/length of drilling time: Small drilling rig 15 to 20 days drilling time.

Mitigation:

☒ Proper BOP equipment

☐ Topographic sound barriers

☐ H2S contingency and/or evacuation plan

☐ Special equipment/procedures requirements

☐ Other: \_\_\_\_\_

Comments: Adequate surface casing cemented to surface and operational BOP should mitigate any problems.

## Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: None identified.

Creation of new access to wildlife habitat: None identified.

Conflict with game range/refuge management: No

Threatened or endangered Species: Species identified as threatened by the USFWS is the Black-footed Ferret. Species listed as candidate species are the Greater Sage Grouse and the Sprague's Pipit. NH tracker website for this Township and Range lists two (2) species of concern: Chestnut-collared Longspur and McCown's Longspur. NH Tracker website lists one (1) Potential Species of Concern: the Tennessee Warbler.

Mitigation:

- ☐ Avoidance (topographic tolerance/exception)
- ☐ Other agency review (DFWP, federal agencies, DSL)
- ☐ Screening/fencing of pits, drillsite
- ☐ Other: \_\_\_\_\_

Comments: Private surface cultivated land. There maybe species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done, if a species of concern is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands.

#### **Historical/Cultural/Paleontological**

(possible concerns)

Proximity to known sites None identified

Mitigation

- ☐ avoidance (topographic tolerance, location exception)
- ☐ other agency review (SHPO, DSL, federal agencies)
- ☐ Other: \_\_\_\_\_

Comments: Private surface cultivated land.. There maybe possible historical/cultural/paleontological sites that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to his desires to preserve these sites or not, if they are found during construction of the wellsite. The Board of Oil & Gas has no jurisdiction over private surface lands.

#### **Social/Economic**

(possible concerns)

- ☐ Substantial effect on tax base
- ☐ Create demand for new governmental services
- ☐ Population increase or relocation

Comments: No concerns. Wildcat well with an existing gas field, Utopia Oil & Gas Field.

#### **Remarks or Special Concerns for this site**

Well is a 3450' Potlatch Formation test vertical well test. If warranted after drilling the Bakken Formation this well could be drilled horizontal.

#### **Summary: Evaluation of Impacts and Cumulative effects**

No long term impacts expected. Some short term impacts will occur, but will be mitigated in time.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): \s\Steven Sasaki  
(title:) Chief Field Inspector  
Date: May 10, 2012

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC  
website.  
(Name and Agency)  
Liberty County water wells.  
(subject discussed)  
May 10, 2012  
(date)

US Fish and Wildlife, Region 6 website  
(Name and Agency)  
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES  
MONTANA COUNTIES, Liberty County  
(subject discussed)

May 10, 2012  
(date)

Montana Natural Heritage Program Website (FWP)  
(Name and Agency)  
Heritage State Rank= S1, S2, S3, T33N R4E  
(subject discussed)

May 10, 2012  
(date)

If location was inspected before permit approval:  
Inspection date: \_\_\_\_\_  
Inspector: \_\_\_\_\_  
Others present during inspection: \_\_\_\_\_